



**Maria Tome/DBEDT**  
03/11/2004 08:55 AM

To Ethanol Distribution Group  
cc  
bcc  
Subject Fw: Fuel Ethanol Production & Distribution Plan

----- Forwarded by Maria Tome/DBEDT on 03/11/2004 04:53 PM -----



William Maloney  
03/10/2004 07:10 PM

To MTome  
cc  
Subject Fuel Ethanol Production & Distribution Plan

Further to the discussions at the last Fuel Ethanol Distribution Working Group I outline below a basic plan on the distribution of fuel ethanol to various markets in Hawaii. Of course, the actual plan may differ, as each individual company (both fuel ethanol producer and petroleum distributors) will make their own plans, however this should provide a conceptual starting point for an evaluation of options.

As it stands now, there are known plans for three fuel ethanol production facilities:

Maui 6-15 MM gallons per annum  
Oahu 15+ MM gallons per annum  
Kauai 6-12 MM gallons per annum  
  
Total 27+ to 42+ MM gallons per annum

The island of Maui would likely be supplied by Maui production. The Maui gasoline racks (terminals) would be supplied via truck from storage tanks at the Maui production facility or finished product storage to be constructed at the existing Kahului molasses terminal. Small skid tanks, or existing storage tanks could supply the actual racks.

In the event Maui increases production above Maui requirements Maui could also supply the Big Island, with the ethanol moved via barge to one of more terminal locations on the Big Island. The ethanol would be imported into storage tanks at Big Island terminals and blended at the terminal racks. Transport to the Kona side may have to be via truck, though a detailed examination of these logistics has not been undertaken. (Production on the Big Island may be possible, particularly if there is some clarity to the market).

Kauai ethanol demand would be supplied directly from the planned Kauai production facility to the terminals, where blending would take place. Surplus production would be transported via barge to Oahu.

Oahu ethanol demand would be supplied by the planned Oahu project plus some of the Kauai production, and perhaps Maui, perhaps supplemented by some imports (initially, as discussed, to provide a strategic ethanol reserve). The Aloha Petroleum Barber's Point terminal could become a hub, with barges of ethanol coming in, and trucks or barges then transporting ethanol to Honolulu terminals.

The islands of Molokai and Lanai, with very small demand, could be supplied via isotanks, supplying small skid tanks at the terminals.

As noted above there are likely options to this plan and further refinement is in order. I look forward to further discussions and to working with you and the members of the Working Groups to address the various issues relating to the transition to ethanol blends.